# BOARD OF TRUSTEES OF THE CITY PENSION FUND FOR FIREFIGHTERS & POLICE OFFICERS

In the City of Pembroke Pines
Hampton Professional Center
1951 NW 150th Avenue – Suite #104
Pembroke Pines, FL 33028

## REGULAR MONTHLY MEETING – FEBRUARY 18, 2010

The three hundred and seventy-fourth meeting of the Firefighters and Police Officers Pension Fund in the City of Pembroke Pines was called to order at 2:05 p.m. by Chairman Steve Dougherty.

1. **Roll Call –**

| Fire Members | Police Members | City Members |
|---|---|---|
| Adam Cabeza | Carl Heim | Gary Arenson |
| Steven Dougherty | Kevin McCluskey *(called away 2:55 pm)* | Vicki Minnaugh |
| Richard Moss | James Ryan | |

**Others Present:** Greg McNeillie from Dahab Associates; Richelle Hayes from American Realty Advisors; Kate Jonas and Jay Alexander from BlackRock; Henry Renard and Robert Maddock from Inverness Counsel, Inc.; Larry Wilson from Gabriel, Roeder, Smith & Co.; Retired P/O Carl Schelling (wife Deborah); Sgt. Neil Vaughan, VP for Broward County PBA; Det. Andrew Brooks and Det. Al Xiques; Daniel Rotstein, City HR Director; Stephen H. Cypen, Esq., Attorney for the Fund; Karen H. Warner, Plan Administrator; and James Fisher, Asst. Plan Administrator.

2. **Dahab Associates – Performance Report for Q/E 12/31/2009**. Greg McNeillie represented the firm this date. He reported the Fund's total gross return was 2.8% for the quarter ended 12/31/2009, with a portfolio value of $273,232,525. The increase in assets since 9/30/2009 totaled $11,665,035 comprised of $4,308,685 in total net contributions and net investment return of $7,356,350. Investment of the total portfolio was 60.1% in domestic equities, 23.4% in fixed income (including State of Israel Bonds), 7.9% in international equities, 5.7% in real estate and 3.0% in cash and equivalents. The following *gross* returns, detailed by manager, were discussed:

| | Quarter Ended 12/31/2009 | | | | | |
|---|---|---|---|---|---|---|
| | Equities | Equity Bench-mark | Fixed Income | Fixed Inc. Bench-mark | Total Portfolio | Trailing 12 Months |
| Atlanta Capital | 4.7% | 3.9% | --- | --- | 4.5% | 26.9% |
| Buckhead | 6.5% | 4.2% | --- | --- | 6.0% | 24.4% |
| Eaton Vance | 5.4% | 4.2% | --- | --- | 5.4% | 16.1% |
| Inverness | 5.5% | 6.0% | 0.3% | 0.0% | 2.5% | 14.4% |
| Lee Munder | 7.5% | 7.9% | --- | --- | 7.5% | 36.4% |
| SSgA Midcap | 5.6% | 5.6% | --- | --- | 5.6% | 27.5% |
| SSgA Intl Equity | 4.1% | 2.5% | --- | --- | 4.1% | 42.0% |

| | Quarter Ended 12/31/2009 | | | |
|---|---|---|---|---|
| | R.E. | R.E. Bench-mark | Total Portfolio | Trailing 12 Months |
| Am. Realty Advisors | -4.2% | -3.5% | -4.2% | -30.00% |
| AmSouth Timber Fd. | -1.2% | -4.5% | -1.2% | -0.3% |
| BlackRock | -9.5% | -3.5% | -9.5% | -9.5% |
| TA Assoc Realty | 0.0% | -3.5% | 0.0% | -5.8% |

The U.S. and other major global economies continued to gain strength during the fourth quarter of 2009. While credit remained tight, there were clear signs that most areas were improving. The U.S. and many other countries' stimulus programs have boosted economic activity. While the programs have varied in their approaches, the broad consensus is that the "Great Recession" is either over or nearly over thanks to massive government spending. All of the stimulus spending is leading to growing budget deficits, which will either lead to higher taxes or inflation at some future date. For now, inflation remains reasonably contained, in large part because of high unemployment. Recent figures indicate that unemployment may have peaked at 10%. If that figure begins to drop significantly, some action may be needed to forestall inflationary pressures.

The Federal Reserve has sustained its near-zero interest rate stance for short-term rates. Fourth quarter equity returns were muted compared to those of the two prior quarters, but they were still healthy. And for the fourth straight quarter, emerging markets trounced their developed country counterparts. This was a highly negative quarter for Treasury investors, who saw long maturity Treasury yields rise and corresponding returns fall.

Each manager's returns were discussed, as was the outlook for performance improvement. Vicki Minnaugh reiterated her on-going concerns about lackluster performances by Lee Munder Group and SSgA and how much longer before the Board should take a proactive stand with regard to continuing the fund's contracts with these managers. Mr. McNeillie noted both continue to be monitored closely. He also directed attention to the returns of the real estate managers and noted this is not necessarily a good time to reallocate assets into real estate.

The level of international exposure for Inverness Counsel was recently raised within their individual guidelines. For the Fund overall, international exposure is still in line with the Investment Policy.

Discussion turned to manager investments and correlation to the State's "scrutinized companies" list. Mr. McNeillie will handle administrative letters to each manager, asking that they disclose such investments annually as of September 30th. Responses will be directed to the Pension Office for retention.

3. **American Realty Advisors** – **Investment / Market Report**. Richelle Hayes represented the firm this date. She reported a net asset value of $3,659,413 as of 12/31/2009. Gross and net returns for the quarter were -4.23% and -4.48% respectively. Since inception, gross annualized returns are -4.65%, with net annualized returns reported to be -5.61%. She noted that income has generated positive returns, while appreciation has dropped the total levels into the negative.

   American Realty serves as a core real estate manager. This plan is invested in a diversified core equity real estate product comprised of 168 clients; gross market value as of 12/31/2009 was $1.4 billion in 78 properties nationwide and well diversified geographically. This is an open-ended co-mingled fund. American Realty is committed to a consistent long-term investment strategy focusing on core assets. Commercial real estate is not currently doing well; as a result, leverage is currently reported at 22% with no style drift.

   Vicki Minnaugh expressed concern about losses to date from the level of initial investment, as well as the potential for losses continuing in 2010. While there is no crystal ball, American Realty believes the current market could very well be the worst of it, and expectations for 12 months remain flat.

4. **BlackRock** – **Investment / Market Report**. Kate Jonas (South Florida Relationship Manager) and Jay Alexander (Portfolio Manager) represented the firm this date. Ms. Jonas provided an update to the corporate structure by noting the merger of BlackRock and Barclays Global Investors in December of 2009. Operating as BlackRock, the merger brings two market leaders together to create an extraordinary investment platform with clients benefitting from a broad array of products.

   Mr. Alexander stated there are signs that the market is stabilizing and that now is the time to get into real estate. That was not the case in 2009. BlackRock projects 2010 returns to be flat, high single-digit returns for 2011, and low double-digit returns for 2012–2014 as asset returns become steady and attractive. He added that real estate demand typically lags economic and job growth by 18 months or so; the market is expected to grow back slowly. Mr. Alexander reviewed the composition of the BlackRock Granite Property Fund, discussed the various property types and highlighted specific major markets. In conclusion, he stated BlackRock is committed to the Fund and is supporting its cash flow during this period through a reduction and change in the fee structure. BlackRock continues to upgrade its investment tools and processes to improve risk management and enhance top-level oversight.

5. **Inverness Counsel** – **Investment / Market Report**. Henry Renard and Robert Maddock represented the firm this date. As stated in their separate report, the total portfolio value on 12/31/2009 was $153,884,352 with an asset allocation of 42.6% to equities, 40.5% to fixed income and 17.0% in cash and cash equivalents.

Mr. Maddock acknowledged the fact that Inverness lagged the S&P through December 31st; but he added that since that time their style appears to be much more in favor. Entering into 2010, Inverness will remain vigilant with regard to *volatility* (a result of news-driven events) and *yield* while waiting for market improvement. There is also continuing concern regarding inflation. Mr. Renard explained that the recent portfolio rebalancing came from the Inverness bonds and cash. In an effort to offset the effects of inflation, they have been investing in TIPS. Mr. Renard spoke to the issue of under-funding of pension funds in general as a burden that must be dealt with. Mr. Maddock stated they are watching two investments closely as they relate to the Florida scrutinized companies list.

Inverness also provided the following written commentary:

*As we turn the page on 2009, and look forward to 2010, we remain cautiously optimistic about the outlook for the economy and markets. In the last nine months we witnessed strong performance especially among companies that were at the precipice of bankruptcy. This was not the sort of investment we focus on. The positive returns for the broad S&P 500 may continue in the year ahead, but certainly not to the extent that they achieved in 2009 and probably with significant volatility. We would not be surprised if the market posts single digit returns, but also finishes the year at a lower point than its 2010 peak. We expect this to be the sort of market where our strength at identifying good quality growth at a reasonable price should be an advantage.*

<u>*Where we are cautious*</u> – *While we may have seen the high in unemployment in October (10.1%), we are not yet convinced that meaningful jobs growth will occur in the near term. Productivity has improved considerably, as management teams have found ways to do more with less. Recall that during the last recession (March – November, 2001) the unemployment rate didn't peak until June, 2003 (6.3%) and actually never got back to pre-recession levels of 4.2% (the lowest was 4.4% in 2006/7). We fear that only meaningful above trend economic growth will move unemployment back to the ~5% level which we experienced in the first half of 2008.*

*As well, we are of the opinion that the Federal Reserve may have their hand forced, and raise their Federal Funds target rate before they would otherwise like to, as the markets push interest rates higher. Concern over the Fed's balance sheet (now ~$2 Trillion) and inflation expectations (5 Year TIPS Spread 2.3%, up from 1.5% three months ago) could put pressure on bond markets, pushing 10 year yields north of 5%. The Fed is in a precarious position, as withdrawing stimulus too early could stunt the recovery and withdrawing too late could spark inflation and a back up in interest rates.*

<u>*Where we are optimistic*</u> – *Globally, there have been nearly 800 stimulative policy actions taken since the Lehman Brothers bankruptcy in September of 2008. The number and value (~$1.6 Trillion) of these actions is unprecedented, and while some may argue that at some point we will need to "pay the piper" there is little question that they have had and will continue to have an enormous effect on stimulating growth.*

*Additionally, corporate management teams have cut costs to such a degree that any improvement in sales will have an outsized effect on operating leverage and subsequently corporate profits. One calculation points to approximately 10% year over year reductions in selling, general and administration costs. With such tight budgets, pent-up demand, an improvement in employment, and/or consumer net worth (i.e. investment portfolio, home value, etc.) could drive consumers to spend more this year and thus corporate profits above the current consensus of $74 per share for the S&P 500 (+23% year over year).*

*As the year progresses and the above noted issues come to the forefront, we think investors will increasingly be concerned with the ability of the private sector to, once again, support the economy. To date, the recovery has been manufactured. The Federal Reserve has cut short term rates to 0.00%-0.25%, and in conjunction with the Treasury Department, has propped up the capital markets with what some estimate to be $14 Trillion of purchase programs, facilities and guarantees. Congress has approved multiple stimulative/stabilizing bills including the American Recovery and Reinvestment Act, extended unemployment claims, and modified mortgages. Monetary and Fiscal stimulus cannot* *continue indefinitely though, and at some point the handoff from the public sector to the private sector will need to occur. That outlook for the transition may cause the markets to take a breather, as 2011 earnings growth could be slower than 2010's.*

*At Inverness Counsel, we continue to use our macro outlook to support our bottoms-up approach to investing. We continue to look for companies whose growth or earning recovery comes at a reasonable price. We look forward to 2010 as we expect our investment style to prove ever more beneficial in a choppy market, where broad market gains may be hard to come by.*

**The Board recessed at 3:55 p.m. and reconvened at 4:10 p.m.**

6. **Approval of Minutes for January 21, 2010.** Chairman Dougherty presented minutes from the January 21, 2010 meeting for approval. Motion by Vicki Minnaugh, second by Gary Arenson, to approve as presented. The motion carried unanimously.

7. **Approval of Warrant #478.** Chairman Dougherty presented Warrant #478 in the amount of $64,039.79 for approval and payment. Motion by Vicki Minnaugh, second by Carl Heim, to approve as presented. The motion carried unanimously, authorizing the payment of:

| | |
|---|---|
| Cypen & Cypen – Monthly Retainer for February, 2010 | $3,250.00 |
| Hampton Professional Center Condo No. 2 – Monthly Maintenance (Suite #104) for March, 2010 | $407.72 |
| Karen Warner – Mo. Allowance for February, 2010 (Med/Dental/Life) | $375.00 |
| LEAF – Xerox Copier Lease for February, 2010 | $194.23 |
| Twilight Industries, LLC – Office Maintenance for February, 2010 | $152.00 |
| Buckhead Capital Management LLC – Mgmt. Fee for Q/E 12/31/2009 | $16,632.11 |
| Atlanta Capital Management Co. LLC – Mgmt. Fee for Q/E 12/31/2009 | $24,089.00 |
| Gabriel, Roeder, Smith & Co. – Prof. Fees for January, 2010 | $15,645.00 |
| Holland & Knight LLP – Prof. Fees for January, 2010 | $75.00 |
| FP&L – Electric Bill for the period 12/29/2010 – 1/29/2010 | $57.40 |
| MSA Group – Renewal Premium for General Liability Policy #BPG60568 for the period 3/3/2010 – 3/3/2011 | $1,212.02 |
| MSA Group – Renewal Premium for Umbrella Policy #CUG60568 for the period 3/3/2010 – 3/3/2011 | $1,616.00 |
| The Plastridge Agency, Inc. – Renewal Premium for Employee Dishonesty Policy #103147406 for the period 3/23/2010 – 3/23/2011 | $334.31 |
| **TOTAL** | **$64,039.79** |

8. **Approval of DROP Benefit(s) – Ordinance 1443 (Fire).** Motion by Vicki Minnaugh, second by Carl Heim, to approve the calculation of DROP Benefit(s) as presented. The motion carried unanimously to approve:

| | DROP Eff. Date | DROP Term. Date | Form of Benefit |
|---|---|---|---|
| F/F Richard Detata | 1/01/2010 | 12/31/2014 | 10-Year Certain & Life |

Karen Warner reported that an additional DROP election had been received from P/O Michael Scopa since agenda packets were distributed. The Board was asked to consider acting on this matter, if meeting with their approval. Motion by Vicki Minnaugh, second by Gary Arenson, to add **"Approval of DROP Benefit(s) – Ordinance 1480 (Police)"** to the agenda. The motion carried unanimously.

**Approval of DROP Benefit(s) – Ordinance 1480 (Police).** Motion by Vicki Minnaugh, second by Carl Heim, to approve the calculation of DROP Benefit(s) as presented. The motion carried unanimously to approve:

| | DROP Eff. Date | DROP Term. Date | Form of Benefit |
|---|---|---|---|
| P/O Michael Scopa | 2/01/2010 | 1/31/2015 | Joint & 100% Contingent |

9. **Request for DROP Account Distribution(s)** – The following DROP account distribution requests were presented for Board consideration:

| | |
|---|---|
| ▪ F/F Robert Bauman | Lump Sum *** |
| ▪ P/O James Cerny | Monthly *** |
| ▪ P/O Vincent Falzone | Lump Sum *** |
| ▪ F/F Mark Hooper | Monthly *** |
| ▪ P/O William Jacob | Lump Sum *** |
| ▪ P/O Warren McLoughlin | Lump Sum *** |
| ▪ F/F Ricardo Torres | Lump Sum *** |
| ▪ P/O Kenneth Witte | Lump Sum *** |

*** (See Attachment A)

Actuary Larry Wilson has provided the necessary letters indicating these distributions would not pose a problem with the 415 limitation at the present time. Motion by Vicki Minnaugh, second by Adam Cabeza, to approve the distribution requests for Robert Bauman, James Cerny, Vincent Falzone, Mark Hooper, William Jacob, Warren McLoughlin, Ricardo Torres and Kenneth Witte as presented. The motion carried unanimously.

## UNFINISHED BUSINESS

10. **Normal Retirement Benefit for P/O Carl Schelling (Continued).** Karen Warner reported on activity that had taken place since the last Board meeting, noting that Mr. Rotstein (HR) was unable to produce documentation to confirm a settlement agreement in this matter. Lengthy discussion continued as to the underlying and unresolved issue: whether such a lump-sum payment should be credited when received or when earned. Motion by Gary Arenson, second by Vicki Minnaugh, to proceed with recovering the amounts in question. Following further discussion, the motion was withdrawn.

Motion by Gary Arenson, second by Vicki Minnaugh, to modify P/O Schelling's calculation based upon allocating the lump-sum payment to the respective pay periods, to make the appropriate adjust in his monthly benefit going forward, to apply the necessary adjustments to his DROP account as presented, and to recover the amount of overpaid benefits since going into pay status.

| Roll call vote: | For the Motion | Against the Motion |
|---|---|---|
| | Adam Cabeza | Steve Dougherty |
| | James Ryan | Richard Moss |
| | Gary Arenson | Carl Heim |
| | Vicki Minnaugh | |

The motion failed (due to not receiving five affirmative votes as required).

The matter will be tabled to the March 18th meeting.

## NEW BUSINESS

11. **Results of 10/1/2009 Actuarial Valuation.** Actuary Larry Wilson distributed copies of the 10/1/2009 Valuation and reviewed key elements of their findings. The total minimum required contribution was reported to be $29,618,307 for the plan year ending September 30, 2010. This represents 80.8% of covered payroll (including DROP payroll) and 107.6% of covered payroll (excluding DROP payroll). The minimum payment consists of the payment of annual normal costs including amortization of the components of the unfunded actuarial accrued liability over various periods as prescribed by law. The total cost is borne by the members and through City and State contributions, summarized as follows: $2,862,930 (or 10.4%) from the members; $2,429,576 from the State; and $24,325,801 from the City.

Plan provisions are unchanged from the prior year's valuation. This report reflects actuarial assumptions and methods that are updated effective October 1, 2009; specifically:

- Mortality assumption for healthy lives – Updated to the rates from the RP-2000 Combined Mortality Table with Blue Collar Adjustment, with separate rates for males and females and with fully generational mortality improvements projected to each future decrement date.

- Mortality assumption for disabled members – Updated to the rates from the RP-2000 Combined Disabled Mortality Table with separate rates for males and females and with fully generational mortality improvements projected to each future decrement date.

- Investment return assumption – Updated from 8%, compounded annually (net of all expenses) to 8%, compounded annually (net of investment expenses). Estimated current year administrative expenses are added to the normal cost.

- Actuarial funding method – Changed from the Frozen Initial Liability Funding Method to the Entry Age Normal Cost Method.

Discussion turned to the comparative results shown in Table II (page 6). Mr. Wilson reviewed numbers from the 10/1/2008 valuation, the 10/1/2009 valuation (using prior method and prior assumptions), and the 10/1/2009 valuation (using modifications noted above). It was noted that the City's Minimum Funding Payment decreased as of 10/1/2009 with the application of the updated method and assumptions, when compared to using the prior method and assumptions. Following discussion, the Trustees asked that GRS modify the cover letter to clearly state that the City's contribution would decrease by utilizing the method and assumption changes noted above. The value of vested accrued benefits exceeds fund assets. The fund's Vested Benefit Security Ratio, measured on a market value basis, was reported to be 59.9% (compared to 68.0% based upon the prior year valuation).

The fund experienced actuarial losses due to salary increases, employee turnover, and investment return – with investment return having the greatest impact.

Vicki Minnaugh moved to approve the 10/1/2009 valuation under GRS cover letter dated February 11, 2010 with the requested language change noted above. James Ryan seconded the motion. The motion carried unanimously.

Mr. Wilson reviewed two additional exhibits, with explanations and recommendations, pertaining to *Actuarial Equivalence* and *Life Expectancy*.

Lastly, Mr. Wilson was asked to provide recommended language modifications to Attorney Robert Friedman from Holland & Knight, since they are working to secure the Fund's Favorable Letter of Determination from IRS. Motion by Gary Arenson, second by Vicki Minnaugh, that the GRS recommendations be incorporated into the pension ordinance, so long as doing so does not impede the current IRS review process. The motion carried unanimously.

12. **Review / Approve – Net Return for Q/E 12/31/2009.** Copies of the rate of return letter from Dahab Associates were distributed. Their correspondence indicates the return has been calculated at 2.68% (net of fees). Gary Arenson moved to accept the rate of return for the Q/E 12/31/2009 as presented. Vicki Minnaugh seconded the motion. The motion carried unanimously. A copy of the Dahab letter was provided to Actuary Larry Wilson, enabling GRS to finalize DROP statements based upon this information.

13. **Reports:**

**Actuary** – None.

**Attorney** – Attorney Cypen commented on SB 1902 that has been introduced in Tallahassee. A number of provisions in FS 175/185 could be impacted. Actuary Larry Wilson added comments regarding HB 1025 (retiree health premiums).

**Chairman** – None.

**Plan Administrator** – Karen Warner offered a reminder about the upcoming NCPERS Annual Conference to be held May 1–6. Please contact the Pension Office for assistance with registration and travel arrangements.

The Pension Office is in receipt of additional bills for payment and other disbursements for approval. Chairman Dougherty presented Warrant #479 for addition to the agenda and approval for payment. Motion by Gary Arenson, second by Vicki Minnaugh, to add Warrant #479 to the agenda. The motion carried unanimously. Motion by Gary Arenson, second by Carl Heim, to approve the payment of Warrant #479 as presented in the amount of $300,310.98. The motion carried unanimously, authorizing the payment of:

| | | | |
|---|---|---|---|
| P/O James A. Cerny II – Normal Retirement Benefit Commencing 3/1/2010 | | | *** |
| P/O James A. Cerny II – Monthly DROP Withdrawal Commencing 3/1/2010 | | | *** |
| P/O John F. Jacob III – Normal Retirement Benefit for 2/1/2010 | | | *** |
| P/O John F. Jacob III – Normal Retirement Benefit Commencing 3/1/2010 | | | *** |
| F/F Richard Troy Nelson – Normal Retirement Benefit Commencing 3/1/2010 | | | *** |
| P/O Alfredo Guerra – Revised Disability Benefit Commencing 3/1/2010 (due to change in co-pensioner) | | | *** |
| F/F Robert Bauman – Lump Sum DROP Withdrawal | | | *** |
| P/O Vincent Falzone – Lump Sum DROP Withdrawal | | | *** |
| F/F Ricardo Torres – Lump Sum DROP Withdrawal | | | *** |
| F/F Ricardo Torres – Lump Sum DROP Withdrawal | | | *** |
| P/O William Jacob – Lump Sum DROP Withdrawal | | | *** |
| P/O Warren McLoughlin – Lump Sum DROP Withdrawal | | | *** |
| P/O Kenneth Witte – Lump Sum DROP Withdrawal | | | *** |
| US Treasury – FIT Withholding (Bauman-Falzone-Torres-Jacob-McLoughlin-Witte) | | | *** |
| Adam Cabeza – Reimb. FPPTA Conf. Expenses | Car Rental | $121.76 | |
| | Parking | 60.00 | |
| | Mileage 52 @ .50 | 26.00 | |
| | Per Diem 4 days | 240.00 | |
| | Airfare | 253.40 | |
| | | $701.16 | $701.16 |
| Karen H. Warner – Semi-monthly Payroll eff. 3/1/2010 per 3/20/2008 Board approval; Gross $4,713.96 ICMA 457 $150.00 Fed W/H $729.94 FICA $292.27 Medi $68.35 | | | $3,473.40 |
| US Treasury f.b.o. Karen H. Warner – Form 941 Tax to be paid for each Period commencing 3/10/2010 | | | $1,451.18 |
| Pitney Bowes Purchase Power – Postage Meter Refill | | | $400.00 |
| SunTrust Bank (Visa – Fisher) | Bd Mtg / Ofc Supplies | $89.18 | |
| | DirecTV | 90.53 | |
| | Gasoline | 40.00 | |
| | Pest Control | 35.00 | |
| | AT&T | 367.30 | |
| | Bellsouth | 398.39 | |
| | Monthly Storage | 104.00 | |
| | | $1,124.40 | $1,124.40 |
| SunTrust Bank (Visa – Warner) | Xerox (maintenance) | $21.60 | |
| | Bd Mtg / Ofc Supplies | 184.29 | |
| | Conf. Registration FPPTA (Cabeza) | 400.00 | |
| | Conf. Hotel FPPTA (Cabeza) | 612.88 | |
| | ISP | 24.95 | |
| | | $1,243.72 | $1,243.72 |
| Fiduciary Trust Co. – Custody Fee for Q/E 1/31/2010 (Special Assets) | | | $240.26 |
| Fiduciary Trust Co. – Custody Fee for Q/E 1/31/2010 (Atlanta Capital) | | | $2,016.67 |
| Fiduciary Trust Co. – Custody Fee for Q/E 1/31/2010 (Inverness) | | | $13,216.89 |
| Goldstein Schechter Koch – Progress Billing for 9/30/2009 Audit | | | $1,486.00 |
| Dahab Associates, Inc. – Consulting Fee for Q/E 12/31/2009 | | | $21,161.63 |
| *** (See Attachment A) | | **TOTAL** | **$300,310.98** |

Jim Fisher reported that all 2010 "Are You Alive" Affidavits have been received with the exception of twelve retirees. The twelve outstanding have been contacted by phone and asked to return the affidavits as soon as possible to avoid interruption of their pension benefits.

14. **Input from Retirees:** For discussion purposes, James Ryan stated he believes the assessment of a management fee for DROP accounts would be beneficial to the fund, and he added that the Police union leadership is open to consideration. It was noted that the ordinance currently provides for the assessment of an administrative fee for DROP accounts, but only for those who have elected the fund's rate of return – see Sections 34.52(C)(5) and 34.52(C)(10). Disclosure of this provision was also included on the DROP entry forms approved by the Board on 1/16/1997. It was suggested that the Union groups may prefer to approach the City regarding this issue.

15. **Input from Active Members:** None.

16. **Adjournment** – Chairman Dougherty announced that the next regular meeting would be held on Thursday, March 18, 2010 at 4:00 pm. There being no further business to come before the Board, motion by Carl Heim, second by Gary Arenson, to adjourn the meeting at 6:05 pm. The motion carried unanimously.

Steven Dougherty – Chairman

Kevin McCluskey – Secretary